

**Minutes of the Executive Committee of the Humboldt Lodging Alliance meeting  
Wednesday, April 10, 2013  
Adorni Center, Eureka, California.**

Present: Gary Stone (chair), Chris Ambrosini, Mike Caldwell, John Porter, Lowell Daniels, Jeff Durham (via conference call); Guests: Keith Crossley, Jon O'Connor, Mandi Kindred, Alex Stillman; Staff: Richard Stenger

The group began with an informal discussion about changing the monthly meeting times to 2 pm to 4 pm, which they agreed to, and about purchasing a mobile conference call speaker phone system to allow members to phone in.

At 9:15 AM, Stone called the meeting to order. There were no February minutes to review, given that Tony Smithers, the HLA executive director, remained on medical leave and wasn't able to provide them. Stenger gave an update on the condition of Smithers, who had considerably recovered from his cardiac event in March, was now informally advising the CVB staff on HLA matters, and planned to return to work part-time in a month or so. Porter moved to approve the agenda (seconded by Stone and approved unanimously).

Stenger gave an update on the CVB/HLA partnership with destination marketing firm Catalyst, who was organizing an extensive survey of potential and actual visitors to Humboldt County, from Northern California and beyond, as part of a tourism marketing blueprint for Humboldt County.

Porter and Durham said they were impressed by the Catalyst team, who had met with the HLA board a month before, and expressed hope that the group would help Humboldt devise a better and more comprehensive marketing strategy.

Stone asked how long the Catalyst project would take. Stenger said this initial study and strategy phase would take two or three months.

The next topic was the Blue Lake Casino, which had sent a check to the HLA to the CVB offices in the amount of \$10,000. CVB staff contacted the casino via email indicating they were not authorized to cash the check. Some committee members said they recollected that at the February meeting, the HLA had decided not to accept a lump sum from the casino but instead request via a letter that the casino provide 2 percent of their lodging taxation if it wanted to join the HLA.

Porter had a different recollection and said he would like to see the February minutes regarding the earlier executive committee discussion on this matter. He also asked who would act in an official HLA staff capacity in Tony's absence, given his disappointment in the email sent by Stenger to Kindred, the casino general manager, regarding the check. Stone said he would act in an official capacity for the HLA.

Porter made a motion that the HLA accept the \$10,000 check from the casino.

Kindred then spoke to clarify the position of the Blue Lake Rancheria, which owns the casino. The casino hotel operates on a different business model than most others, in particular in that most guests are comped, or given free rooms. Moreover, tribal laws are quite different than those regulating non-tribal properties. Kindred said she was surprised that the casino offered an amount as high as \$10,000, which she saw as an "olive branch to the HLA." Stillman spoke in favor of including the casino in the HLA.

Caldwell said it was his recollection that the HLA wanted 2 percent from Blue Lake Casino and for the HLA to talk to the other casinos. Stone expressed concern with having a problem similar to the CVB with non-funding entities. It would be a bad precedent, like the CVB and the city of Arcata, he said.

Daniels said the group was getting bogged down away from its core mission. "Marketing and promoting this county. That's what we're about," he said.

Stone agreed but said the HLA was so new there would be "growing pains" and "we have to do some housekeeping first."

Durham asked if the \$10,000 was a one-time payment or seen as an opportunity to partner with the HLA for events and other marketing projects. Kindred said the latter was correct. Durham seconded Porter's motion.

Stone replied that he was against it and it was his recollection that the committee had already voted on this matter.

Various committee members expressed additional pros and cons on the motion. Some said they would like to have the casinos join, but only if they pay the equivalent of 2 percent. Anything else would be a bad precedent, they said. Others said the casino would benefit from HLA marketing so this sizable contribution would be better than nothing, and that other casinos might be persuaded to participate. A related topic raised was whether such participation would allow the casino to apply for funds from an HLA community committee for special marketing projects.

Daniels said the group was getting bogged down on special projects.

The motion was brought to a vote and failed 2 to 4 (Porter and Durham for; Stone, Ambrosini, Caldwell and Daniels against).

The March HLA financial statement from the accountant's office was next on the agenda. Durham said he was "encouraged" by the funding coming in, for example, from Humboldt County South, which was higher than anticipated.

Porter and Caldwell raised questions regarding the wording used to classify certain line items on page 8. Crossley, an accountant representing the office that produced the financial report, clarified that this was a cash-basis document. Stillman asked about how the Arcata visitors center could get some of the 2 percent that Arcata collects. Daniels said that request would go to the community advisory committee.

Stone resumed the discussion on the financial statement. Ambrosini also expressed confusion about the terminology. Porter made a motion that Ambrosini work with Crossley to come up with better wording for the reports. It was seconded by Durham and passed unanimously.

Porter then made a motion to approve the financial statement. Caldwell seconded it and it was passed unanimously.

The Community Funds Application Form was the next item discussed. Stone said Smithers' absence had slowed the process somewhat. Durham noted that the draft application and guidelines were available

for review and feedback. Daniels said that discussion of projects was premature. Stone concurred.

Stillman said she knew of a project that required funding now. "I don't want to wait until 2014," she said.

Porter noted that the draft document needed signature lines added to document project approval by community committee members.

Stone made a motion that the draft document be approved, provided it was revised with signature lines added. The motion was seconded and approved unanimously.

The committee next discussed the proposed Humboldt Bay Tourism Center in Old Town Eureka, which had requested about \$100,000 annually for two years from the HLA to staff the planned concierge section of the center. HBTC organizer, O'Connor, addressed the group. He said the amount requested was meant to be a provisional request, directed only to Smithers as a negotiation starting point. He had not intended that the full request go out via email to the entire HLA board.

Committee members expressed their support for O'Connor's project in concept, but some were surprised by the short notice of such a large request, two months before the planned opening. Other concerns raised included: the fact that a similar visitor center in Napa County was owned by their TBID group, that the center would be getting a lot more business from hotels than the other way around, that the center did not adequately represent the entire county, and the fact that O'Connor had stated he intended to relinquish ownership in a year or two.

O'Connor said he had three provisional plans for the center, one with no public funding, one with low public funding, and one with high public funding.

Daniels said he liked the project and it had great potential, but suggested that it would be more appropriate to request funds from one or more of the community committees. Porter and Caldwell agreed. Ambrosini thought there was potential it could promote the whole county. Nevertheless, he added, "We like the concept, but the request for funding amount and the deadline, this would give us pause."

O'Connor said he was doing the best he could to promote tourism and community development, but didn't want to wait two years to open the center.

Porter made a motion A) recommending support of the center in concept, but not financially from the general HLA funds, and B) suggesting that the center later submit an application to relevant local community committees.

Ambrosini objected to the wording of the motion. He thought the center could be a county-wide project. Daniels seconded the motion. Ambrosini added that he thought it would be unfair to refer the center just to the Eureka and/or Arcata community committees for funding. Caldwell said that the name of the center, and its location, prevented it from adequately serving the entire county. The motion passed with no objections. Durham abstained.

The meeting was adjourned shortly after 11 AM.

Respectfully submitted by Richard Stenger